

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2008-0463-PWS-E **TCEQ ID:** RN102682358 **CASE NO.:** 35573
RESPONDENT NAME: Gray Utility Service L.L.C.

Page 1 of 3

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input checked="" type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Sunchase Subdivision, 1400 Mesa Lane, Hamshire, Jefferson County</p> <p>TYPE OF OPERATION: Public water supply</p> <p>SMALL BUSINESS: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on July 7, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Mr. Epifanio Villarreal, Enforcement Division, Enforcement Team 2, MC R-13, (210) 404-4033; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Walter M. Gray, Jr., General Manager and Registered Agent, Gray Utility Service L.L.C., P.O. Box 2099, Mont Belvieu, Texas 77580 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation/Record Review Relating to this Case: January 8, 2008 (Investigation) and March 25, 2008 (Record Review)</p> <p>Date of NOE Relating to this Case: March 4, 2008 (NOE)</p> <p>Background Facts: This was a routine investigation and record review.</p> <p>WATER</p> <p>1) Failure to maintain an up-to-date plant operations manual for operator review and reference [30 TEX. ADMIN. CODE § 290.42(l)].</p> <p>2) Failure to make available for Commission review a complete up-to-date chemical and microbiological monitoring plan that identifies all sampling locations, describes the sampling frequency, and specifies the analytical procedures and laboratories that the public water system will use to comply with the monitoring requirements [30 TEX. ADMIN. CODE § 290.121(a) and (b)].</p> <p>3) Failure to maintain all treatment units, storage and pressure maintenance facilities, distribution system lines and related appurtenances in a watertight condition [30 TEX. ADMIN. CODE § 290.46(m)(4)].</p> <p>4) Failure to provide the pressure tank with an easily readable pressure gauge [30 TEX. ADMIN. CODE § 290.43(d)(2)].</p> <p>5) Failure to ensure that all water system electrical wiring is securely installed in compliance with a local or national electrical code [30 TEX. ADMIN. CODE § 290.46(v)].</p> <p>6) Failure to maintain copies of customer service inspection certificates that can be</p>	<p>Total Assessed: \$1,010</p> <p>Total Deferred: \$202 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$808</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that on March 26, 2008, the Respondent has implemented the following corrective measures at the Facility:</p> <p>a. Submitted a copy of an up-to-date monitoring plan that described the sampling frequency, and specified the analytical procedures and laboratories;</p> <p>b. Submitted a photo demonstrating that the leaking valve between the well and pressure tank was repaired;</p> <p>c. Submitted a photo of an easily readable gauge on the pressure tank;</p> <p>d. Submitted a photo of the covered electrical box; and</p> <p>e. Submitted copies of records demonstrating compliance with the disinfection residual monitoring results, volume of water treated, and microbiological analysis.</p> <p>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a. Within 10 days after the effective date of the Agreed Order:</p> <p>i. Have a certified inspector complete and maintain customer service inspection certifications on all residences that do not have service agreements, in accordance with 30 TEX. ADMIN. CODE § 290.46; and</p> <p>ii. Compile and maintain properly completed monthly water works operation records and maintenance records, including but not limited to the amount of chemical used on a weekly basis, and make them available at the time of Commission inspections, in accordance with 30 TEX. ADMIN. CODE § 290.46.</p> <p>b. Within 30 days after the effective date of this Agreed Order:</p> <p>i. Calibrate the well meter, in accordance with 30 TEX. ADMIN. CODE § 290.46; and</p>

<p>made available to Commission personnel at the time of investigations [30 TEX. ADMIN. CODE § 290.46(f)(3)(E)(iv)].</p> <p>7) Failure to provide water system records to Commission personnel at the time of the investigation [30 TEX. ADMIN. CODE § 290.46(f)(2), 290.46(f)(3)(A)(i)(III), 290.46(f)(3)(A)(ii)(III), 290.46(f)(3)(B)(iii) and 290.46(f)(3)(D)(i)].</p> <p>8) Failure to calibrate the well meter once every three years [30 TEX. ADMIN. CODE § 290.46(s)(1)].</p> <p>9) Failure to pay all annual and late General Permits Stormwater fees for TCEQ Financial Administration ("FA") Account No. 20023365 for Fiscal Year 2008 and failure to pay all annual and late Public Health Service fees for TCEQ FA Account No. 91230083 for Fiscal Years 2004 through 2008 [30 TEX. ADMIN. CODE § 290.51(a)(3) and TEX. WATER CODE §§ 26.0291 and 5.702].</p>		<p>ii. Submit payment for all outstanding fees, interest, and penalties for TCEQ FA Account Nos. 20023365 and 91230083.</p> <p>c. Within 45 days after the effective of the Agreed Order, submit written certification and include supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provisions a. and b.</p> <p>d. Within 60 days after the effective date of the Agreed Order, maintain an up-to-date and thorough plant operations manual for operator review and reference, in accordance with 30 TEX. ADMIN. CODE § 290.42.</p> <p>e. Within 75 days after the effective date after the effective date of this Agreed Order, submit written certification and include supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision d.</p>
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Additional ID No(s): PWS No. 1230083



Policy Revision 2 (September 2002)

Penalty Calculation Worksheet (PCW)

PCW Revision February 29, 2008

TCEQ

DATES	Assigned	10-Mar-2008	Screening	19-Mar-2008	EPA Due	
	PCW	19-Mar-2008				

RESPONDENT/FACILITY INFORMATION	
Respondent	Gray Utility Service L.L.C.
Reg. Ent. Ref. No.	RN102682358
Facility/Site Region	10-Beaumont
Major/Minor Source	Minor

CASE INFORMATION			
Enf./Case ID No.	35573	No. of Violations	9
Docket No.	2008-0463-PWS-E	Order Type	1660
Media Program(s)	Public Water Supply	Enf. Coordinator	Epifanio Villarreal
Multi-Media		EC's Team	Enforcement Team 2
Admin. Penalty \$	Limit Minimum	\$50	Maximum
			\$1,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$650**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **37% Enhancement** **Subtotals 2, 3, & 7** **\$240**

Notes: The penalty enhancement is due to one prior Notice of Violation ("NOV") containing violations that are the same as or similar to the violations in the current enforcement action, one prior dissimilar NOV, and one non-adjudicated final court judgment containing a denial of liability.

Culpability **No** **0% Enhancement** **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply **0% Reduction** **Subtotal 5** **\$0**

Before NOV NOV to EDP RP/Settlement Offer

Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes: The Respondent does not meet the good faith criteria.

Subtotal 6 **\$0**

Total EB Amounts **\$140** **0% Enhancement***

Approx. Cost of Compliance **\$1,050** *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$890**

OTHER FACTORS AS JUSTICE MAY REQUIRE **13%** **Adjustment** **\$120**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Enhancement recommended for recovery of avoided costs of compliance.

Final Penalty Amount **\$1,010**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$1,010**

DEFERRAL **20%** **Reduction** **Adjustment** **-\$202**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY **\$808**

Screening Date 19-Mar-2008

Docket No. 2008-0463-PWS-E

PCW

Respondent Gray Utility Service L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 35573

PCW Revision February 29, 2008

Reg. Ent. Reference No. RN102682358

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	1	5%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgments or consent decrees meeting criteria)	1	30%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 37%

>> Repeat Violator (Subtotal 3)

N/A

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

The penalty enhancement is due to one prior Notice of Violation ("NOV") containing violations that are the same as or similar to the violations in the current enforcement action, one prior dissimilar NOV, and one non adjudicated final court judgment containing a denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 37%

Screening Date 19-Mar-2008		Docket No. 2008-0463-PWS-E		PCW		
Respondent Gray Utility Service L.L.C.		<small>Policy Revision 2 (September 2002)</small>				
Case ID No. 35573		<small>PCW Revision February 29, 2008</small>				
Reg. Ent. Reference No. RN102682358						
Media [Statute] Public Water Supply						
Enf. Coordinator Epifanio Villarreal						
Violation Number		<div style="border: 1px solid black; padding: 2px; text-align: center;">1</div>				
Rule Cite(s)		<div style="border: 1px solid black; padding: 2px; text-align: center;">30 Tex. Admin. Code § 290.42(l)</div>				
Violation Description		<div style="border: 1px solid black; padding: 2px;">Failed to maintain an up-to-date plant operations manual for operator review and reference.</div>				
Base Penalty					<div style="border: 1px solid black; padding: 2px; text-align: center;">\$1,000</div>	
>> Environmental, Property and Human Health Matrix						
OR	Harm					
	Release	Major	Moderate	Minor		
	Actual	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>		
	Potential	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	Percent	<div style="border: 1px solid black; padding: 2px; text-align: center;">0%</div>
>> Programmatic Matrix						
	Falsification	Major	Moderate	Minor		
	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	<div style="border: 1px solid black; width: 40px; height: 15px; text-align: center;">x</div>	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	Percent	<div style="border: 1px solid black; padding: 2px; text-align: center;">10%</div>
Matrix Notes	<div style="border: 1px solid black; padding: 2px; text-align: center;">100% of the rule requirement was not met.</div>					
Adjustment					<div style="border: 1px solid black; padding: 2px; text-align: center;">\$900</div>	
					<div style="border: 1px solid black; padding: 2px; text-align: center;">\$100</div>	
Violation Events						
Number of Violation Events		<div style="border: 1px solid black; padding: 2px; text-align: center;">1</div>		<div style="border: 1px solid black; padding: 2px; text-align: center;">71</div> Number of violation days		
<small>mark only one with an x</small>	daily	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>				
	monthly	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>				
	quarterly	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>				
	semiannual	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>				
	annual	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>				
	single event	<div style="border: 1px solid black; width: 40px; height: 15px; text-align: center;">x</div>				
<div style="border: 1px solid black; padding: 2px; text-align: center;">One single event is recommended.</div>					Violation Base Penalty	
					<div style="border: 1px solid black; padding: 2px; text-align: center;">\$100</div>	
Economic Benefit (EB) for this violation						
Estimated EB Amount		<div style="border: 1px solid black; padding: 2px; text-align: center;">\$4</div>		Statutory Limit Test		
				Violation Final Penalty Total		
				<div style="border: 1px solid black; padding: 2px; text-align: center;">\$155</div>		
This violation Final Assessed Penalty (adjusted for limits)					<div style="border: 1px solid black; padding: 2px; text-align: center;">\$155</div>	

Economic Benefit Worksheet**Respondent** Gray Utility Service L.L.C.**Case ID No.** 35573**Reg. Ent. Reference No.** RN102682358**Media** Public Water Supply**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System	\$100	8-Jan-2008	1-Nov-2008	0.8	\$4	n/a	\$4
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

The delayed cost includes the amount required to compile and maintain a plant operations manual, calculated from the date of the investigation to the estimated date of compliance.

Avoided Costs**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs**Approx. Cost of Compliance**

\$100

TOTAL

\$4

Screening Date 19-Mar-2008

Docket No. 2008-0463-PWS-E

PCW

Respondent Gray Utility Service L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 35573

PCW Revision February 29, 2008

Reg. Ent. Reference No. RN102682358

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code § 290.121(a) and (b)

Violation Description

Failed to make available for Commission review a complete up-to-date chemical and microbiological monitoring plan that identifies all sampling locations, describes the sampling frequency, and specifies the analytical procedures and laboratories that the public water system will use to comply with the monitoring requirements. Specifically, at the time of the investigation, it was documented that the plan was missing information such as sampling frequency and analytical and laboratory information.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
		x	

Percent 5%

Matrix Notes

Between 30% and 70% of the rule requirement was not met.

Adjustment \$950

\$50

Violation Events

Number of Violation Events 1

71 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$50

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1

Violation Final Penalty Total \$78

This violation Final Assessed Penalty (adjusted for limits) \$78

Economic Benefit Worksheet**Respondent** Gray Utility Service L.L.C.**Case ID No.** 35573**Reg. Ent. Reference No.** RN102682358**Media** Public Water Supply**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System	\$100	8-Jan-2008	26-Mar-2008	0.2	\$1	n/a	\$1
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

The delayed cost includes the amount to update the chemical and microbiological monitoring plan, calculated from the date of the investigation to the date of compliance.

Avoided Costs**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs**Approx. Cost of Compliance**

\$100

TOTAL

\$1

Screening Date 19-Mar-2008		Docket No. 2008-0463-PWS-E		PCW	
Respondent Gray Utility Service L.L.C.		<i>Policy Revision 2 (September 2002)</i>			
Case ID No. 35573		<i>PCW Revision February 29, 2008</i>			
Reg. Ent. Reference No. RN102682358					
Media [Statute] Public Water Supply					
Enf. Coordinator Epifanio Villarreal					
Violation Number 3					
Rule Cite(s)		30 Tex. Admin. Code § 290.46(m)(4)			
Violation Description		Failed to maintain all treatment units, storage and pressure maintenance facilities, distribution system lines and related appurtenances in a watertight condition. Specifically, at the time of the investigation, it was documented that a valve from the well to the pressure tank was leaking.			
		Base Penalty		\$1,000	

>> Environmental, Property and Human Health Matrix

OR	Harm				
	Release	Major	Moderate	Minor	
	Actual				
	Potential		x		Percent 10%

>> Programmatic Matrix

Falsification				
Major	Moderate	Minor		
				Percent 0%

Matrix Notes	Failure to maintain the water system in a watertight condition could allow a significant amount of contaminants to enter the water system which would not exceed levels protective of human health.
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Adjustment	\$900
	\$100

Violation Events

Number of Violation Events	1	71	Number of violation days
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<i>mark only one with an x</i>	daily		
	monthly		
	quarterly	x	
	semiannual		
	annual		
	single event		

Violation Base Penalty	\$100
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One quarterly event is recommended from the date of the investigation, January 8, 2008, to the date of screening, March 19, 2008.

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount	Violation Final Penalty Total
\$1	\$155
This Violation Final Assessed Penalty (adjusted for limits)	
\$155	

Economic Benefit Worksheet**Respondent** Gray Utility Service L.L.C.**Case ID No.** 35573**Reg. Ent. Reference No.** RN102682358**Media** Public Water Supply**Violation No.** 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)	\$100	8-Jan-2008	26-Mar-2008	0.2	\$0	\$1	\$1
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

The delayed cost includes the amount to repair the valve leak, calculated from the date of the investigation to the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$100

TOTAL

\$1

Screening Date 19-Mar-2008

Docket No. 2008-0463-PWS-E

PCW

Respondent Gray Utility Service L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 35573

PCW Revision February 29, 2008

Reg. Ent. Reference No. RN102682358

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 4

Rule Cite(s)

30 Tex. Admin. Code § 290.43(d)(2)

Violation Description

Failed to provide the pressure tank with an easily readable pressure gauge. Specifically, at the time of the investigation, it was documented that the pressure gauge was rusted and difficult to read.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential		x	

Percent 10%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Failure to have an easily readable pressure gauge on the pressure tank would not allow the operator to make necessary adjustments to ensure the system is operating at the design pressure. As a result, customers of the water supply could be exposed to significant amounts of contaminants which would not exceed levels that are protective of human health.

Adjustment \$900

\$100

Violation Events

Number of Violation Events 1

71 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	x
	semiannual	
	annual	
	single event	

Violation Base Penalty \$100

One quarterly event is recommended from the date of the investigation, January 8, 2008, to the date of screening, March 19, 2008.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$2

Violation Final Penalty Total \$155

This violation Final Assessed Penalty (adjusted for limits) \$155

Economic Benefit Worksheet**Respondent** Gray Utility Service L.L.C.**Case ID No.** 35573**Reg. Ent. Reference No.** RN102682358**Media** Public Water Supply**Violation No.** 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)	\$150	8-Jan-2008	26-Mar-2008	0.2	\$0	\$2	\$2
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

The delayed cost includes the amount to replace and install an easily readable gauge, calculated from the date of the investigation to the date of compliance.

Avoided Costs**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs**Approx. Cost of Compliance**

\$150

TOTAL

\$2

Screening Date 19-Mar-2008**Docket No.** 2008-0463-PWS-E**PCW****Respondent** Gray Utility Service L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 35573

PCW Revision February 29, 2008

Reg. Ent. Reference No. RN102682358**Media [Statute]** Public Water Supply**Enf. Coordinator** Epifanio Villarreal**Violation Number** 5**Rule Cite(s)** 30 Tex. Admin. Code. § 290.46(v)**Violation Description**

Failed to ensure that all water system electrical wiring is securely installed in compliance with a local or national electrical code. Specifically, at the time of the investigation, it was documented that the electrical box was exposed and not properly covered.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential		x	

Percent 10%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%**Matrix Notes**

Failing to properly cover the electrical box may expose wires and cause equipment to malfunction, resulting in low pressure or outages which would result in exposure to significant amounts of pollutants which would not exceed levels that are protective of human health.

Adjustment \$900

\$100

Violation Events**Number of Violation Events** 171 **Number of violation days**

mark only one with an x	daily	
	monthly	
	quarterly	x
	semiannual	
	annual	
	single event	

Violation Base Penalty \$100

One quarterly event is recommended from the date of the investigation, January 8, 2008, to the date of screening, March 19, 2008.

Economic Benefit (EB) for this violation**Statutory Limit Test****Estimated EB Amount** \$1**Violation Final Penalty Total** \$155**This violation Final Assessed Penalty (adjusted for limits)** \$155

Economic Benefit Worksheet**Respondent** Gray Utility Service L.L.C.**Case ID No.** 35573**Reg. Ent. Reference No.** RN102682358**Media** Public Water Supply**Violation No.** 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost No commas or \$	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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Delayed Costs

Equipment	\$50	8-Jan-2008	26-Mar-2008	0.2	\$0	\$1	\$1
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

The delayed cost includes the amount to secure and cover the electrical box, calculated from the date of the investigation to the date of compliance.

Avoided Costs**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs**Approx. Cost of Compliance**

\$50

TOTAL

\$1

Screening Date 19-Mar-2008

Docket No. 2008-0463-PWS-E

PCW

Respondent Gray Utility Service L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 35573

PCW Revision February 29, 2008

Reg. Ent. Reference No. RN102682358

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code § 290.46(f)(3)(E)(iv)

Violation Description Failed to maintain copies of customer service inspection certificates that can be made available to Commission personnel at the time of investigations. Specifically, at the time of the investigation, it was documented that the Respondent failed to provide copies of customer service inspection certificates on residences that did not have service agreements.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 10%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$900

\$100

Violation Events

Number of Violation Events 1

71 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$100

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$5

Violation Final Penalty Total \$155

This violation Final Assessed Penalty (adjusted for limits) \$155

Economic Benefit Worksheet**Respondent** Gray Utility Service L.L.C.**Case ID No.** 35573**Reg. Ent. Reference No.** RN102682358**Media** Public Water Supply**Violation No.** 6

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System	\$150	8-Jan-2008	10-Sep-2008	0.7	\$5	n/a	\$5
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

The delayed cost includes the amount to maintain customer service certificates, calculated from the date of the investigation to the estimated date of compliance.

Avoided Costs**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs**Approx. Cost of Compliance**

\$150

TOTAL

\$5

Screening Date 19-Mar-2008

Docket No. 2008-0463-PWS-E

PCW

Respondent Gray Utility Service L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 35573

PCW Revision February 29, 2008

Reg. Ent. Reference No. RN102682358

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 7

Rule Cite(s) 30 Tex. Admin. Code §§ 290.46(f)(2), 290.46(f)(3)(A)(i)(III), 290.46(f)(3)(A)(ii)(III), 290.46(f)(3)(B)(iii) and 290.46(f)(3)(D)(i)

Violation Description

Failed to provide water system records to Commission personnel at the time of the investigation. Specifically, at the time of the investigation, the following records were not available for review: disinfectant residual monitoring results for two of the last twelve months, volume of water treated, amount of chlorine used on a weekly basis, and microbiological analyses for February and April 2007.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

	Harm		
Release	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

	Major	Moderate	Minor
Falsification		x	

Percent 5%

Matrix Notes

Between 30% and 70% of the rule requirement was not met.

Adjustment \$950

\$50

Violation Events

1

71

Number of violation days

mark only one
with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$50

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$6

Violation Final Penalty Total \$78

This violation Final Assessed Penalty (adjusted for limits) \$78

Economic Benefit Worksheet**Respondent** Gray Utility Service L.L.C.**Case ID No.** 35573**Reg. Ent. Reference No.** RN102682358**Media** Public Water Supply**Violation No.** 7

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System	\$200	8-Jan-2008	26-Mar-2008	0.2	\$2	n/a	\$2
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$100	8-Jan-2008	10-Sep-2008	0.7	\$3	n/a	\$3

Notes for DELAYED costs

The delayed cost includes the amount to properly maintain disinfectant residual monitoring results, volume of water treated, and microbiological analyses, calculated from the date of the investigation to the date of compliance. The delayed cost includes the amount to properly maintain amount of chlorine used on a weekly basis, calculated from the date of the investigation to the estimated date of compliance.

Avoided Costs**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$300

TOTAL

\$6

Screening Date 19-Mar-2008

Docket No. 2008-0463-PWS-E

PCW

Respondent Gray Utility Service L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 35573

PCW Revision February 29, 2008

Reg. Ent. Reference No. RN102682358

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 8

Rule Cite(s) 30 Tex. Admin. Code § 290.46(s)(1)

Violation Description Failed to calibrate the well meter once every three years.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			x

Percent 5%

>> Programmatic Matrix

Falsification			
	Major	Moderate	Minor

Percent 0%

Matrix Notes

Failure to have the well meters properly calibrated could result in inaccurate or unavailable water usage and production data, which could prevent the system from ensuring a continuous and safe water supply.

Adjustment \$950

\$50

Violation Events

1

1095 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$50

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$120

Violation Final Penalty Total \$78

This violation Final Assessed Penalty (adjusted for limits) \$78

Economic Benefit Worksheet**Respondent** Gray Utility Service L.L.C.**Case ID No.** 35573**Reg. Ent. Reference No.** RN102682358**Media** Public Water Supply**Violation No.** 8

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)	\$100	8-Jan-2005	8-Jan-2008	3.9	\$20	\$100	\$120

Notes for AVOIDED costs

The avoided cost includes the amount to properly calibrate the well meter, calculated for the three years prior to the investigation date.

Approx. Cost of Compliance **\$100****TOTAL** **\$120**

Screening Date 19-Mar-2008

Docket No. 2008-0463-PWS-E

PCW

Respondent Gray Utility Service L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 35573

PCW Revision February 29, 2008

Reg. Ent. Reference No. RN102682358

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 9

Rule Cite(s) 30 Tex. Admin. Code § 290.51(a)(3) and Tex. Water Code §§ 26.0291 and 5.702

Violation Description

Failed to pay all annual and late General Permits Stormwater fees for TCEQ Financial Administration Account No. 20023365 for Fiscal Year 2008 and failed to pay all annual and late Public Health Service fees for TCEQ Financial Administration Account No. 91230083 for Fiscal Years 2004 through 2008.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Adjustment \$1,000

\$0

Violation Events

Number of Violation Events

Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$0

All penalties and interest will be determined by the Financial Administration Division at the next billing cycle.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$0

This violation Final Assessed Penalty (adjusted for limits) \$0

Economic Benefit Worksheet**Respondent** Gray Utility Service L.L.C.**Case ID No.** 35573**Reg. Ent. Reference No.** RN102682358**Media** Public Water Supply**Violation No.** 9

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

N/A

Avoided Costs**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

N/A

Approx. Cost of Compliance

\$0

TOTAL

\$0

Compliance History

Customer/Respondent/Owner-Operator:	CN602932196	Gray Utility Service, L.L.C.	Classification: AVERAGE	Rating: 2.19
Regulated Entity:	RN102682358	SUNCHASE SUBDIVISION	Classification:	Site Rating:
ID Number(s):	PUBLIC WATER SYSTEM/SUPPLY WATER LICENSING	REGISTRATION LICENSE		1230083 1230083
Location:	1400 MESA LN, HAMSHIRE, JEFFERSON, TX,			
TCEQ Region:	REGION 10 - BEAUMONT			
Date Compliance History Prepared:	March 19, 2008			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	March 19, 2003 to March 19, 2008			
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History				
Name:	Epi Villarreal	Phone:	(210) 403-4033	

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? Yes
3. If Yes, who is the current owner? Gray Utility Service L.L.C.
4. If Yes, who was/were the prior owner(s)? Starward Realty & Development, Inc.
5. When did the change(s) in ownership occur? 11/19/2004

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

Effective Date: 04/26/2004	COURTORDER
Classification: Moderate	
Citation: 30 TAC Chapter 290, SubChapter D 290.46(d)(2)(A)	
Rqmt Prov: 2.a. ORDER	
Description: Failure to operate the water system's chlorination facilities to maintain a free chlorine residual of 0.2 mg/l in the 3 far reaches of the distribution system.	
Classification: Moderate	
Citation: 30 TAC Chapter 290, SubChapter D 290.42(e)(7)	
Rqmt Prov: 2.e. ORDER	
Description: Failure to house and lock the hypochlorination facilities.	
Classification: Moderate	
Citation: 30 TAC Chapter 290, SubChapter F 290.118	
Rqmt Prov: 2.i. ORDER	
Description: Failure to meet the Commission's standards for iron and chlorides.	
Classification: Moderate	
Citation: 30 TAC Chapter 290, SubChapter D 290.45(b)(1)(A)	
Rqmt Prov: 2.k. ORDER	
Description: Failure to meet the agency's "Minimum Water System Capacity Requirements" for a well capacity of 1.5 gallons per minute per connection.	
Classification: Minor	
Citation: 30 TAC Chapter 290, SubChapter D 290.38(22) 30 TAC Chapter 290, SubChapter D 290.41(e)(3)(C)	
Description: Failure to maintain an intruder resistant fence.	
Classification: Moderate	
Citation: 30 TAC Chapter 290, SubChapter D 290.39(h)(3)	
Description: Failure to notify the commissioner's public drinking water program in writing upon the completion of a new well.	

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1 01/14/2005 (345393)

2 03/04/2008 (617101)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 10/01/2003 (248749)

Self Report? NO

Classification Minor

Citation: 30 TAC Chapter 290, SubChapter F 290.110(b)(4)

Description: Failure to adequately chlorinate the water.

Self Report? NO

Classification Moderate

Citation: 30 TAC Chapter 290, SubChapter D 290.44(d)

30 TAC Chapter 290, SubChapter D 290.46(r)

Description: Failure to meet the TCEQ minimum requirements for water pressure in the water system's distribution.

Date: 01/13/2005 (345393)

Self Report? NO

Classification Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.46(n)(2)

Description: Failure to prepare and maintain a map of the distribution system so that valves and mains may be easily located during emergencies.

Self Report? NO

Classification Moderate

Citation: 30 TAC Chapter 290, SubChapter D 290.42(k)

30 TAC Chapter 290, SubChapter D 290.42(l)

Description: Failure to compile and maintain a plant operations manual.

Self Report? NO

Classification Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)(1)[G]

Description: Failure to conduct annual pressure tank inspections.

Self Report? NO

Classification Moderate

Citation: 30 TAC Chapter 290, SubChapter D 290.46(f)

Description: Failure to operate the water system's chlorination facilities to maintain a free chlorine residual of 0.2 ml/l in the far reaches of the distribution system.

Self Report? NO

Classification Major

Citation: 30 TAC Chapter 290, SubChapter D 290.46

Description: Failure to post a legible ownership sign at the water plant.

Self Report? NO

Classification Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.42(c)

Description: Failure to house the hypochlorination facilities.

Self Report? NO

Classification Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.43(d)(2)

Description: Failure to provide the pressure tank with a pressure release device.

Self Report? NO

Classification Major

Citation: 30 TAC Chapter 290, SubChapter D 290.45(b)(1)(A)(i)

Description: Failure to meet the Agency's "Minimum Water System Capacity Requirements" for a well capacity of 1.5 gallons per minute per connection.

Self Report? NO

Classification Major

Citation: 30 TAC Chapter 290, SubChapter D 290.45(b)(1)(A)(ii)

Description: Failure to meet the "Agency's Minimum Water System capacity Requirements" for a pressure tank capacity of 50 gallons per connection.

Self Report? NO

Classification Major

Citation: 30 TAC Chapter 290, SubChapter D 290.41(c)(3)(J)

Description: Failure to provide the well with a properly constructed sealing block.

Self Report? NO

Classification Minor

Citation: 30 TAC Chapter 290, SubChapter F 290.110(b)(4)

Description: Failure to adequately chlorinate the water.

Self Report? NO

Classification Moderate

Citation:	30 TAC Chapter 290, SubChapter D 290.44(d)		
	30 TAC Chapter 290, SubChapter D 290.46(r)		
Description:	Failure to meet the TCEQ minimum requirements for water pressure in the water system's distribution.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 290, SubChapter F 290.121		
Description:	Failure to have a complete monitoring plan.		
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 290, SubChapter D 290.42(e)(5)		
Description:	Failure to have proper seal on the chlorine solution container.		

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
GRAY UTILITY SERVICE L.L.C.
RN102682358**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2008-0463-PWS-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Gray Utility Service L.L.C. ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 341 and TEX. WATER CODE ch. 5. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a public water supply at 1400 Mesa Lane in Hamshire, Jefferson County, Texas (the "Facility") that has approximately 40 service connections and serves at least 25 people per day for at least 60 days per year.
2. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
3. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about March 9, 2008.
4. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
5. An administrative penalty in the amount of One Thousand Ten Dollars (\$1,010) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Eight Hundred Eight Dollars (\$808) of the administrative penalty and Two Hundred Two Dollars (\$202) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and

satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

6. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
7. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
8. The Executive Director recognizes that on March 26, 2008, the Respondent has implemented the following corrective measures at the Facility:
 - a. Submitted a copy of an up-to-date monitoring plan that described the sampling frequency, and specified the analytical procedures and laboratories;
 - b. Submitted a photo demonstrating that the leaking valve between the well and pressure tank was repaired;
 - c. Submitted a photo of an easily readable gauge on the pressure tank;
 - d. Submitted a photo of the covered electrical box; and
 - e. Submitted copies of records demonstrating compliance with the disinfection residual monitoring results, volume of water treated, and microbiological analysis.
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Facility, the Respondent is alleged to have:

1. Failed to maintain an up-to-date plant operations manual for operator review and reference, in violation of 30 TEX. ADMIN. CODE § 290.42(l), as documented during an investigation conducted on January 8, 2008.

2. Failed to make available for Commission review a complete up-to-date chemical and microbiological monitoring plan that identifies all sampling locations, describes the sampling frequency, and specifies the analytical procedures and laboratories that the public water system will use to comply with the monitoring requirements, in violation of 30 TEX. ADMIN. CODE § 290.121(a) and (b), as documented during an investigation conducted on January 8, 2008.
3. Failed to maintain all treatment units, storage and pressure maintenance facilities, distribution system lines and related appurtenances in a watertight condition, in violation of 30 TEX. ADMIN. CODE § 290.46(m)(4), as documented during an investigation conducted on January 8, 2008.
4. Failed to provide the pressure tank with an easily readable pressure gauge, in violation of 30 TEX. ADMIN. CODE § 290.43(d)(2), as documented during an investigation conducted on January 8, 2008.
5. Failed to ensure that all water system electrical wiring is securely installed in compliance with a local or national electrical code, in violation of 30 TEX. ADMIN. CODE. § 290.46(v), as documented during an investigation conducted on January 8, 2008.
6. Failed to maintain copies of customer service inspection certificates that can be made available to Commission personnel at the time of investigation, in violation of 30 TEX. ADMIN. CODE § 290.46(f)(3)(E)(iv), as documented during an investigation conducted on January 8, 2008.
7. Failed to provide water system records to Commission personnel at the time of the investigation, in violation of 30 TEX. ADMIN. CODE § 290.46(f)(2), 290.46(f)(3)(A)(i)(III), 290.46(f)(3)(A)(ii)(III), 290.46(f)(3)(B)(iii) and 290.46(f)(3)(D)(i), as documented during an investigation conducted on January 8, 2008.
8. Failed to calibrate the well meter once every three years, in violation of 30 TEX. ADMIN. CODE § 290.46(s)(1), as documented during an investigation conducted on January 8, 2008.
9. Failed to pay all annual and late General Permits Stormwater fees for TCEQ Financial Administration Account ("FA") No. 20023365 for Fiscal Year 2008 and failed to pay all annual and late Public Health Service fees for TCEQ FA Account No. 91230083 for Fiscal Years 2004 through 2008, in violation of 30 TEX. ADMIN. CODE § 290.51(a)(3) and TEX. WATER CODE §§ 26.0291 and 5.702, as documented during a record review conducted on March 25, 2008.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 5 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Gray Utility Service L.L.C., Docket No. 2008-0463-PWS-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that the Respondent shall undertake the following technical requirements:

- a. Within 10 days after the effective date of this Agreed Order:
 - i. Have a certified inspector complete and maintain customer service inspection certifications on all residences that do not have service agreements, in accordance with 30 TEX. ADMIN. CODE § 290.46; and
 - ii. Compile and maintain properly completed monthly water works operation records and maintenance records, including but not limited to the amount of chemical used on a weekly basis, and make them available at the time of Commission inspections, in accordance with 30 TEX. ADMIN. CODE § 290.46.
- b. Within 30 days after the effective date of this Agreed Order:
 - i. Calibrate the well meter, in accordance with 30 TEX. ADMIN. CODE § 290.46;
 - ii. Submit payment for all outstanding fees, interest, and penalties for TCEQ FA Account Nos. 20023365 and 91230083. The payment shall be sent with the notation "Gray Utility Service L.L.C., FA Account Nos. 20023365 and 91230083" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

- c. Within 45 days after the effective of this Agreed Order, submit written certification as described below in Ordering Provision 2.e., and include supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provisions 2.a. and 2.b.

- d. Within 60 days after the effective date of this Agreed Order, maintain an up-to-date and thorough plant operations manual for operator review and reference, in accordance with 30 TEX. ADMIN. CODE § 290.42.
- e. Within 75 days after the effective date after the effective date of this Agreed Order, submit written certification as described below, and include supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision 2.d. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Water Section Manager
Beaumont Regional Office
Texas Commission on Environmental Quality
3870 Eastex Freeway
Beaumont, Texas 77703-1892

- 3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
- 4. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

5. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
6. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
7. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John S. DeWitt

For the Executive Director

8/29/2008

Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Walter M. Gray Jr.

Signature

4/23/08

Date

Walter M. Gray Jr.

Name (Printed or typed)
Authorized Representative of
Gray Utility Service L.L.C.

General Manager

Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

